

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

12860 CROSSROADS PARKWAY SOUTH • CITY OF INDUSTRY, CALIFORNIA 91746
Tel (562) 908-8400 • Fax (562) 908-0459



BRYCE YOKOMIZO
Director

LISA NUÑEZ
Chief Deputy



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January 10, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE AMENDMENTS
TO THE CAL-LEARN CASE MANAGEMENT SERVICES AGREEMENTS
WITH THE ADOLESCENT FAMILY LIFE PROGRAM AGENCIES
TO EXTEND THE AGREEMENTS, INCREASE THE COST PER CASE RATE AND
INCLUDE A COST OF LIVING ADJUSTMENT PROVISION
(ALL DISTRICTS - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Mayor to sign the enclosed Amendments to the Cal-Learn Case Management Services Agreements with the four Adolescent Family Life Program (AFLP) agencies: AltaMed Health Services Corporation, Childrens Hospital Los Angeles, El Nido Family Centers, and Foothill Family Service. The Amendments extend the Agreements for eight months, effective one day after Board approval, increase the firm-fixed cost from \$160.91 to \$200.84 per case per month, include a Cost of Living Adjustment (COLA) provision, and revise the contracts' Statement of Work. Also, the Amendment for the AltaMed Health Services Corporation contract rolls over funds of \$23,444.

The Agreements do not include maximum contract amounts because they are caseload driven. Payment is based on the number of eligible teens who are enrolled and participate in the Cal-Learn program. The cost of the eight month contract extension is within the estimated three-year contract costs for the Agreements totaling \$21,027,719 for the period September 1, 2003 through August 31, 2006 and \$7,009,240 annually. Funding for these contracts is included in the CalWORKs Single Allocation for FY 2005-06 and there is no additional net County cost since the CalWORKs Maintenance of Effort requirement will be met.

"To Enrich Lives Through Effective And Caring Service"

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Cal-Learn is a State-mandated program for CalWORKs participants who are under 19 years old, are pregnant or parenting, and have not yet completed their high school education. The County's Cal-Learn contractors provide comprehensive, intensive case management to assist teens in completing their high school education.

For the past six years, the firm-fixed fee of \$160.91 for Cal-Learn case management services in Los Angeles County has remained unchanged. The contractors reported that they need to retain the level of staff necessary to provide high quality services with the skills required to track the performance outcome measures.

Effective December 2003, the Board mandated that the Cal-Learn contractors meet three performance measures, school enrollment (60%), report card submission (50%) and graduation rate (50%). To track their performance, the contractors had to enhance their current tracking system to enable them to provide data to DPSS. The system enhancement together with the added administrative workload required for the Cal-Learn case managers to document participants' progress, has resulted in increased costs to the contractors. The contractors' additional responsibilities to provide detailed documentation to validate their performance, requires the kind of infrastructure and administratively trained staff that warrants a significant increase in the reimbursement rate. The recommended rate increase will compensate the contractors for the added workload and administrative expertise.

In addition, the contractors have reported that they are currently operating at a deficit because their cost of doing business is not commensurate with the existing reimbursement rate of \$160.91 per case per month. Also, the contractors have expressed that some of their Cal-Learn case managers are leaving for better paying jobs because wages are too low, thus creating a gap in services to Cal-Learn participants. The COLA provision in the Amendments complies with County policy and will compensate the contractors for the increased cost of doing business; costs associated with the increase in salaries for administrative and case management services and operating costs for equipment, supplies, mileage, facility leases, etc.

DPSS staff surveyed various counties in the State to determine the per case rate in the larger counties. The cost per case per month rate ranges from \$137.50 to \$266. The statewide average for the cost per case per month is \$209.58.

The contractors accepted DPSS' offer of \$200.84 per case per month based on the following:

21.1% of \$160.91	= \$194.86 (Consumer Price Index over the last 6 years)
Administrative costs	= \$ 5.98
Total Rate	= \$200.84

The new fee and COLA will allow the contractors to be reimbursed for the work performed.

The contractors have met all of their performance outcomes measures. As of September 2005, 65 percent of Cal-Learn participants were enrolled in high school, 90 percent submitted their report cards and 70 percent graduated from high school or obtained their GED certificate. This is a marked improvement from the figures reported for December 2004, in which 65 percent were enrolled in school, 63 percent submitted their report cards and 39 percent graduated or received their GED certificate. The contractors have worked very hard to achieve the performance outcome measures and will continue to do so.

DPSS will provide quarterly reports on the performance measures to the Board through the end of the contract term, August 31, 2006. The current Cal-Learn Agreements are extended on a month-to-month basis not to exceed three months effective December 1, 2005 through February 28, 2006.

In addition, the Amendment for the Cal-Learn contract with AltaMed Health Services Corporation (AltaMed) rolls over funds of \$23,444 to allow the contractor to establish an office in the Long Beach area to serve participants previously served by Southern California Youth and Family Center. On October 25, 2005, the Board approved these funds for that purpose. However, under the current contract, these funds were to be expended by November 30, 2005, and cannot be rolled over beyond this date. AltaMed is requesting that the additional funds be extended beyond November 30, 2005 because they have yet to expend the funds. In the interim, AltaMed is serving Cal-Learn participants out of their Lynwood office and will continue to serve this population through the next contract period.

Implementation of Strategic Plan Goals

The Amendments are consistent with the principles of the Countywide Strategic Plan Goal #3 (Organizational Effectiveness) to ensure that service delivery systems are efficient, effective and goal-oriented; Goal #4 (Fiscal Responsibility) to strengthen the County's fiscal capacity; and Goal #5 (Children and Families' Well-Being) to improve the well-being of children and families in Los Angeles County as measured by the achievements in the five outcome areas adopted by the Board: good health; economic well-being; safety and survival; social and emotional well-being; and educational/workforce readiness.

FISCAL IMPACT/FINANCING

These Agreements are not subject to contract maximums. The estimated costs may increase or decrease based solely upon caseload fluctuation. The cost of the eight month contract extension is within the estimated three-year contract costs for the Agreements totaling \$21,027,719 for the period September 1, 2003 through August 31, 2006 and \$7,009,240 annually. Funding for these contracts is included in the CalWORKs Single Allocation for FY 2005-06 and there is no additional net County cost since the CalWORKs Maintenance of Effort requirement will be met.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Amendments extend the Agreements for eight months, commencing one day after Board approval through August 31, 2006.

The County is authorized to provide these services under California's Welfare and Institutions Code, Section 11331 through 11334 and California Department of Social Services' (CDSS) Manual of Policies and Procedures, Chapter 42-762 through 42-769, and the COUNTY's Cal-Learn Plan.

The agencies have provided satisfactory services to the County for the past ten years and have been active partners in the administration of these services. The Cal-Learn program was first implemented through Board-approved, sole source contracts on February 28, 1995. The proposed Agreements will continue to foster effective partnerships with the County's community-based organizations.

The award of these Amendments will not result in unauthorized disclosure of confidential information and will be in full compliance with federal, State, and County regulations.

The County may terminate the Agreements with a 30 calendar day prior written notice.

The contractors will not be asked to perform services which will exceed the Agreements' rates, scope of work, and agreement term.

CONTRACTING PROCESS

State law requires that counties contract with the AFLP agencies to provide intensive case management services. Thus, these Agreements were not the result of a competitive solicitation but rather procurements by negotiations.

IMPACT ON CURRENT SERVICES

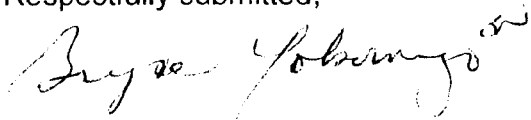
The execution of these Amendments will not infringe on the role of the County in its relationship to its residents, and the County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County. This Amendment will not affect the current services being provided under this agreement.

The award of these Amendments will enable the Department to continue providing Cal-Learn case management services to the County's eligible pregnant and parenting teenagers.

CONCLUSION

The Executive Officer, Board of Supervisors, is requested to return one (1) adopted stamped Board Letter and three (3) original signed copies of each amendment to the Director of DPSS.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Bryce Yokomizo".

Bryce Yokomizo
Director

BY:yjm

Enclosures

c: Auditor-Controller
Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors